The Role of Workforce Development in Rural Economies

Mark Goodman, President, Goodman and Associates

Jay Moon, President & CEO, Mississippi Manufacturers Association

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Workforce Challenges & Opportunities

- ✓Company Perspective
- ✓Training Delivery and Support Perspective
- ✓Community Leadership Perspectives

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Workforce Matters …

Area Development Corporation's survey of corporate executives (Top 20)

Site Selection Factors	2018
1	Availability of Skilled Labor
2	Labor Costs
3	Highway Accessibility
4	Corporate Tax Rates
5	Tax Exemptions
6	Quality of Life
7	State and Local Incentives
8	Energy Availability and Cost
9	Available Buildings
10	Occupancy/Construction Costs
11	Available Land
12	Low Union Profile
13	Proximity to Suppliers
14	Proximity to Major Markets
15	Right-to-Work State
16	Training Programs/Tech Colleges
16t	Environmental Regulations
18	Inbound/Outbound Shipping Costs
19	Expedited Permitting
20	Accessibility to Major Airport

Source: http://www.areadevelopment.com/corpSurveyResults/

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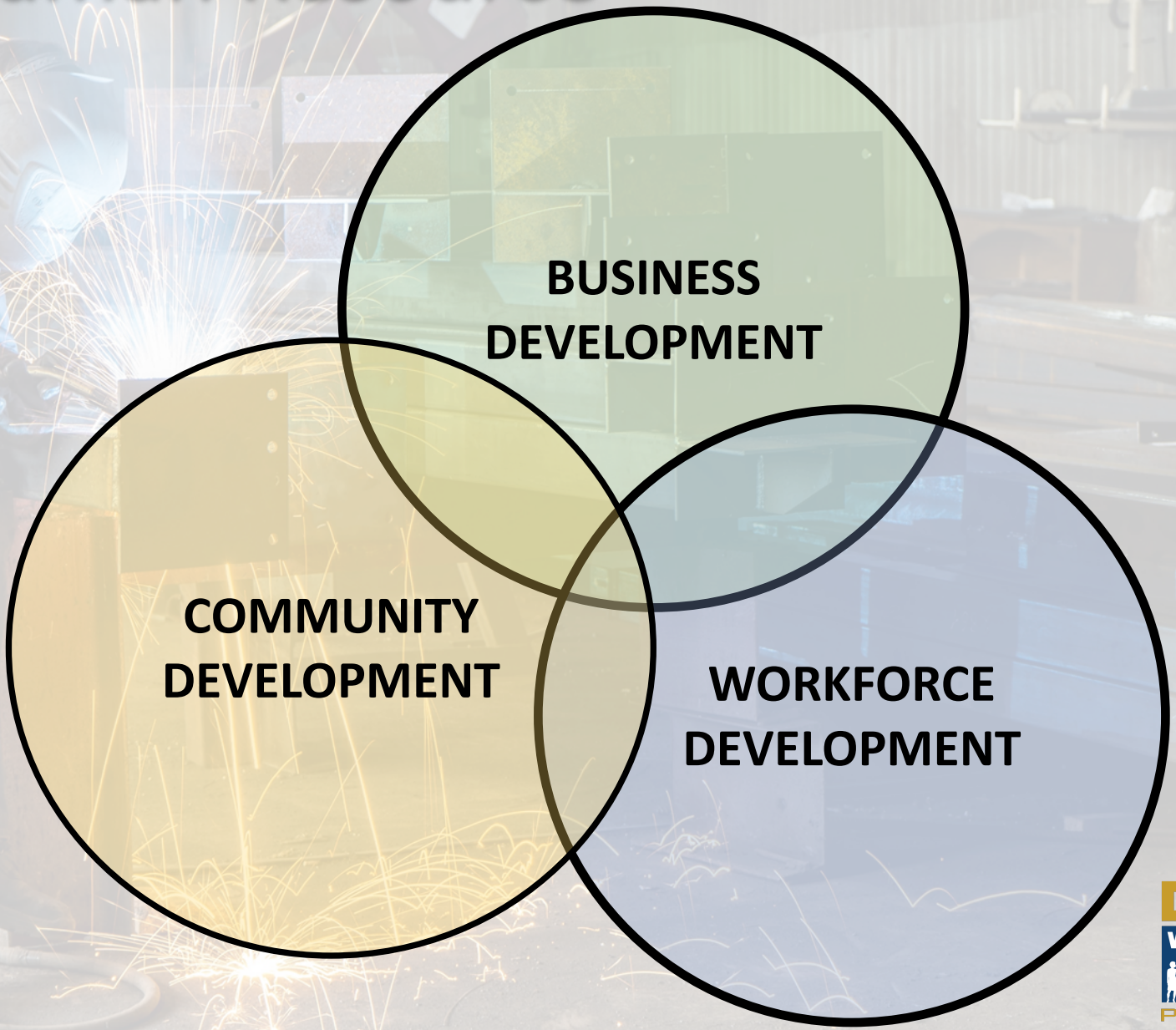
Growing our Human Resource

- ✓Training
- ✓Retaining
- ✓Engaging



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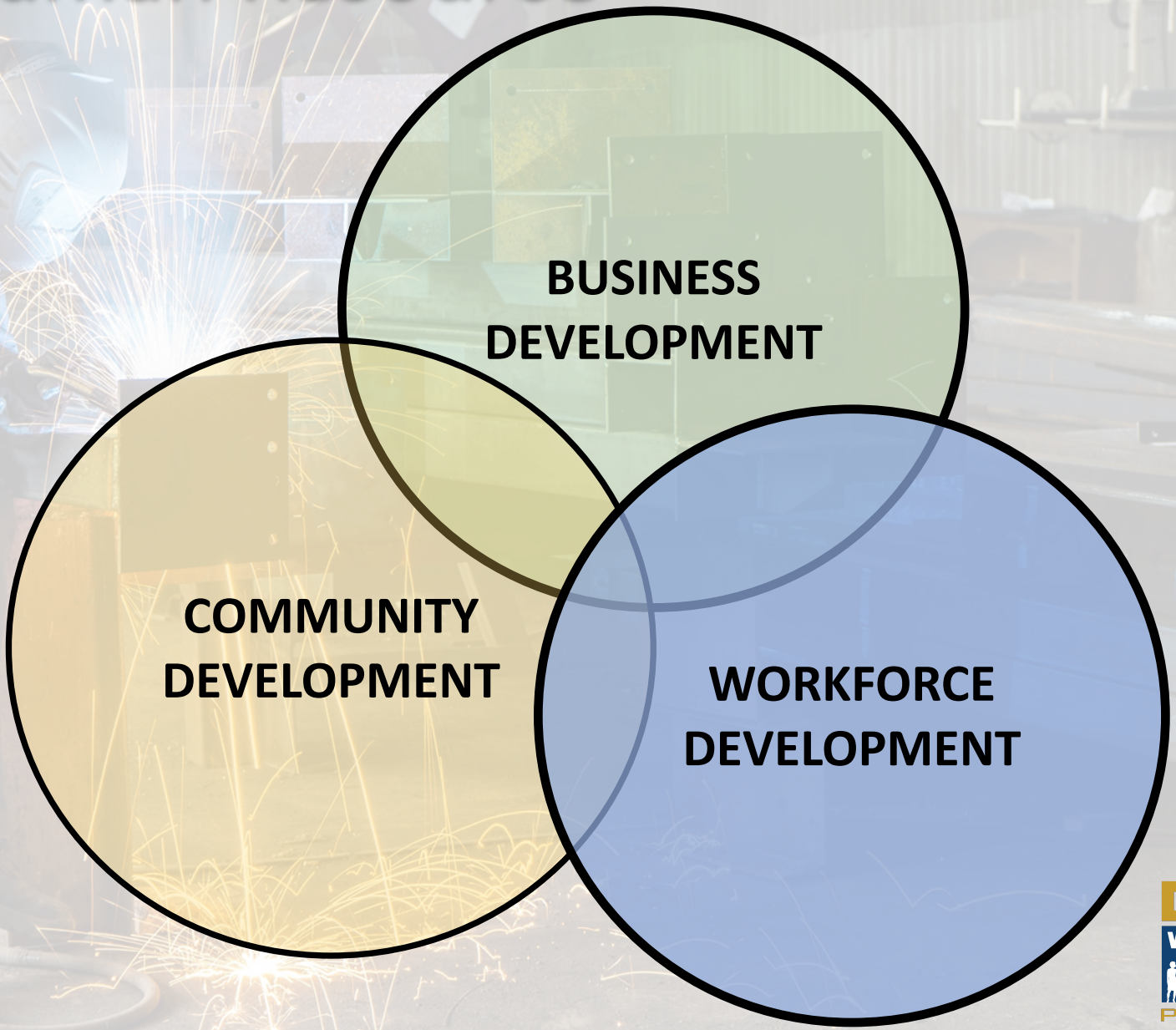

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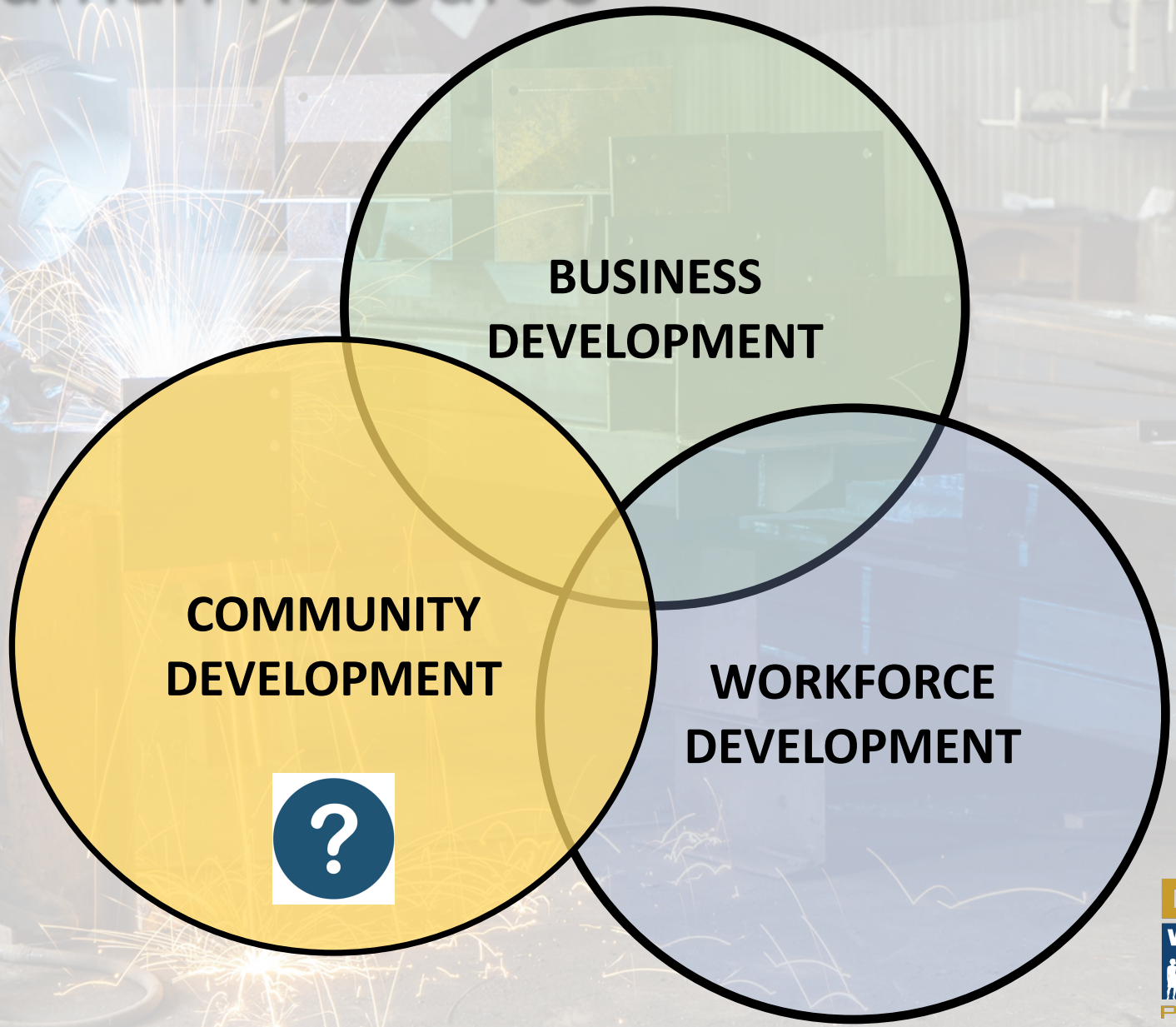

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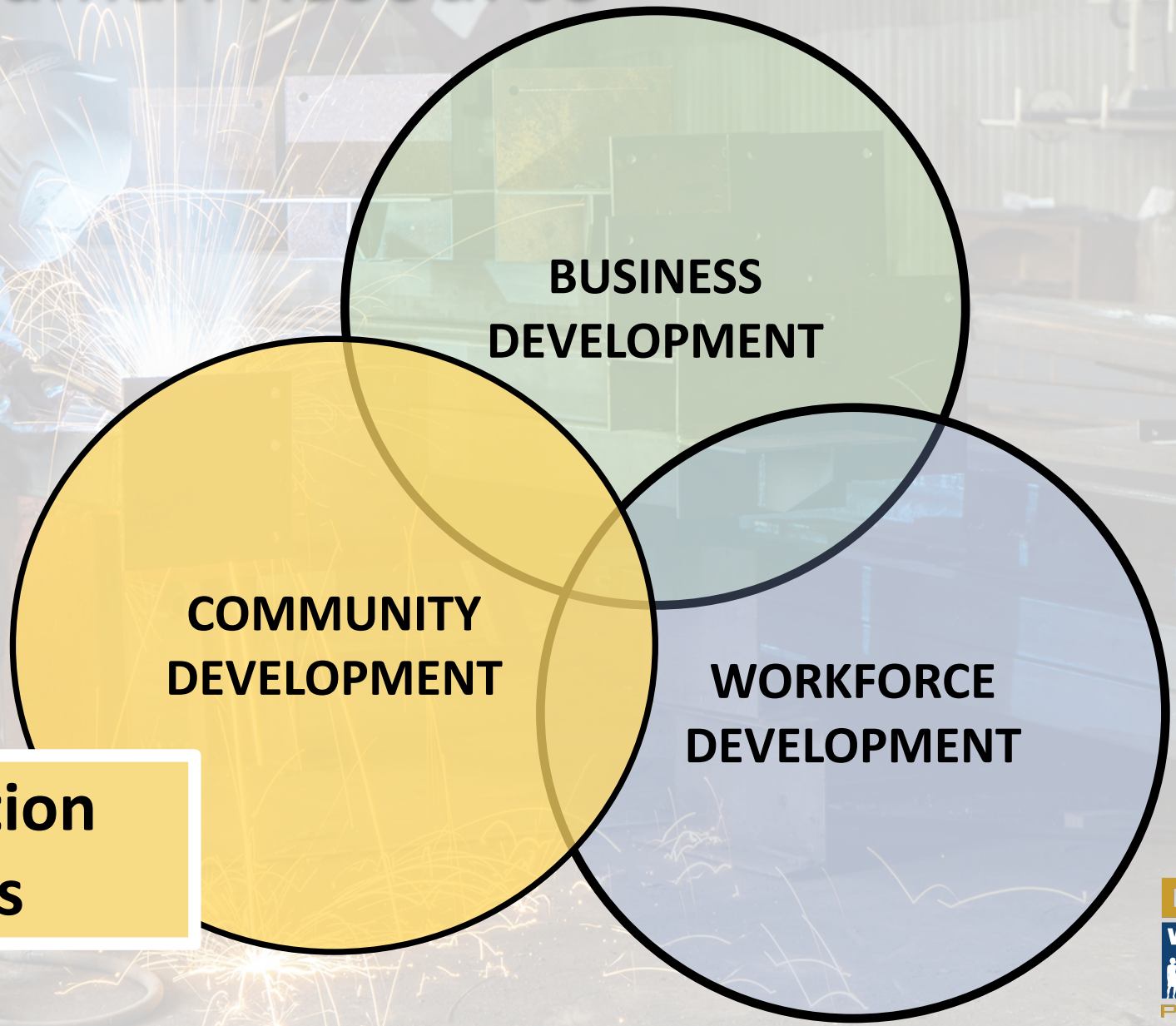
Growing our Human Resource

- ✓Training
- ✓Retaining
- ✓**Engaging**

-Next Generation
-Local Partners



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Engaging High Need Individuals

- ✓ Displaced persons with non-transferrable skill sets
- ✓ Workforce age persons who have not participated in the workforce for a significant length of time
- ✓ People dealing with significant socioeconomic disparities
- ✓ Foreign-born workers facing language and cultural barriers
- ✓ People with disabilities who wish to participate in the workforce
- ✓ Veterans
- ✓ Persons with backgrounds

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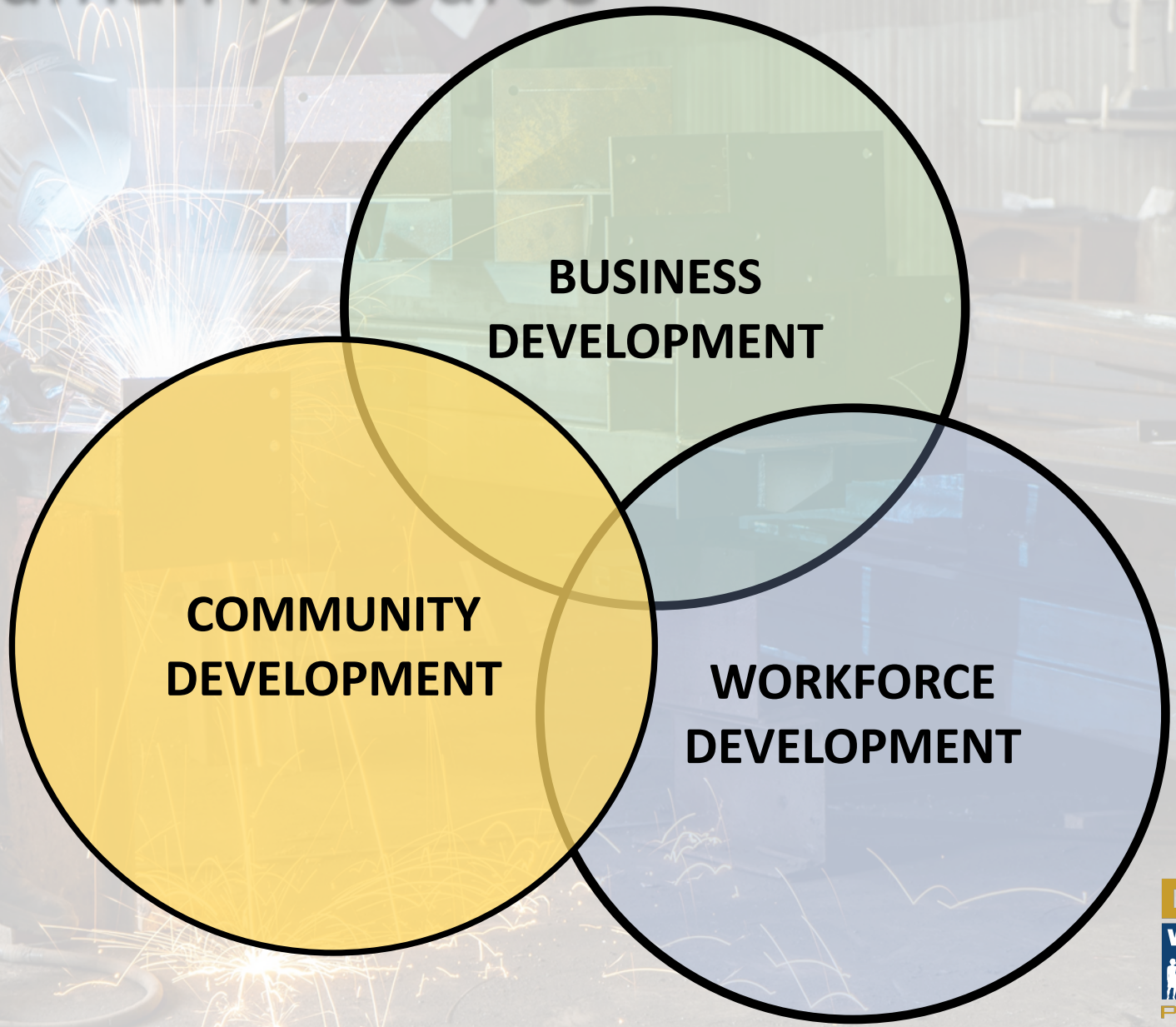
Growing our Human Resource

- ✓Training
- ✓Retaining
- ✓**Engaging**



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Growing our Human Resource

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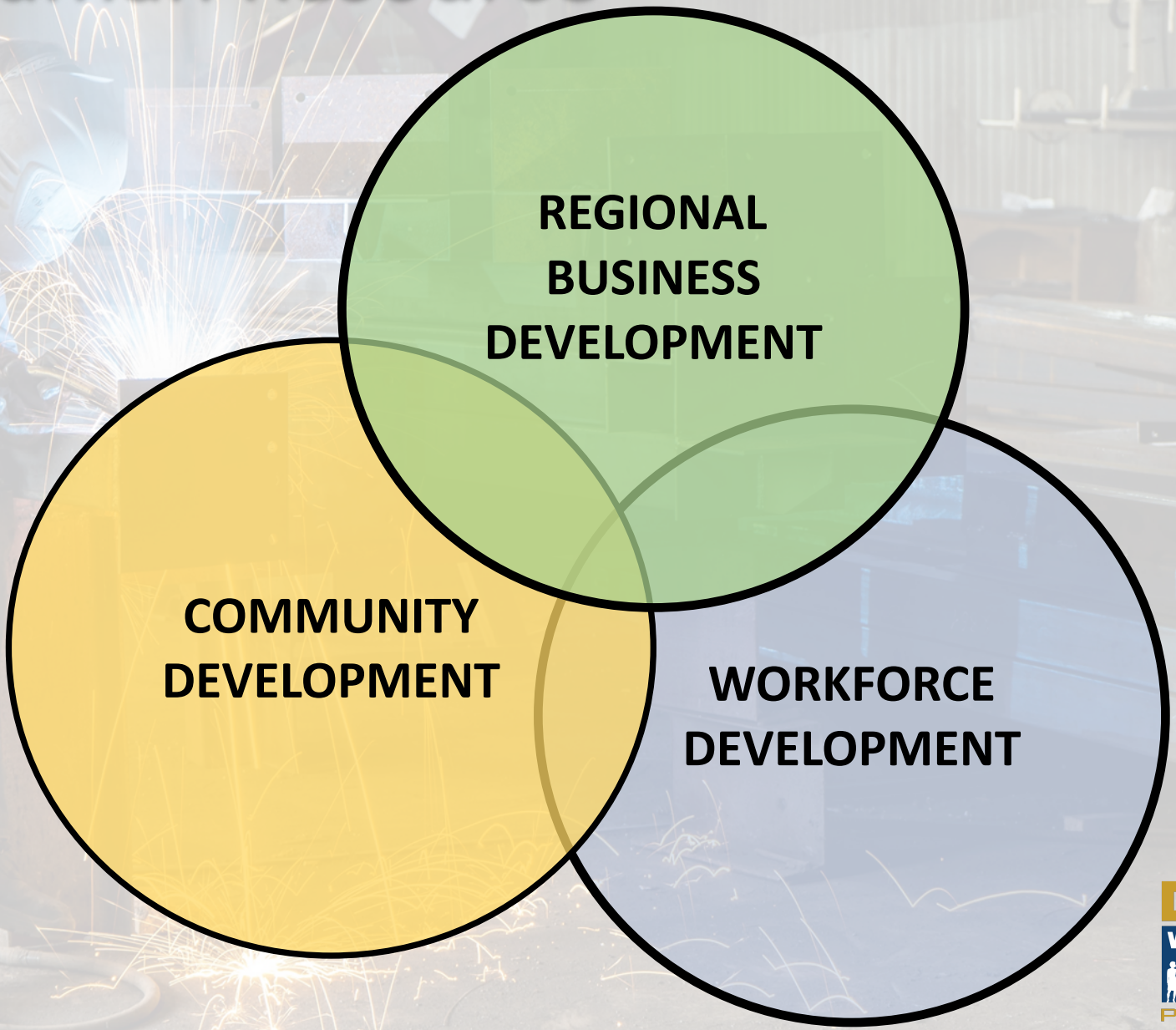

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Competing Today

- ✓ Have a Good Census Count
- ✓ Think (and Act) Regionally
- ✓ Engage the Next Generation
- ✓ Be Active vs. Passive

Competing Today

✓ **Have a Good Census Count**

- Now through April 2020

-Challenge: Rural Internet Connectivity

-Hard-to-Count Populations and Regions

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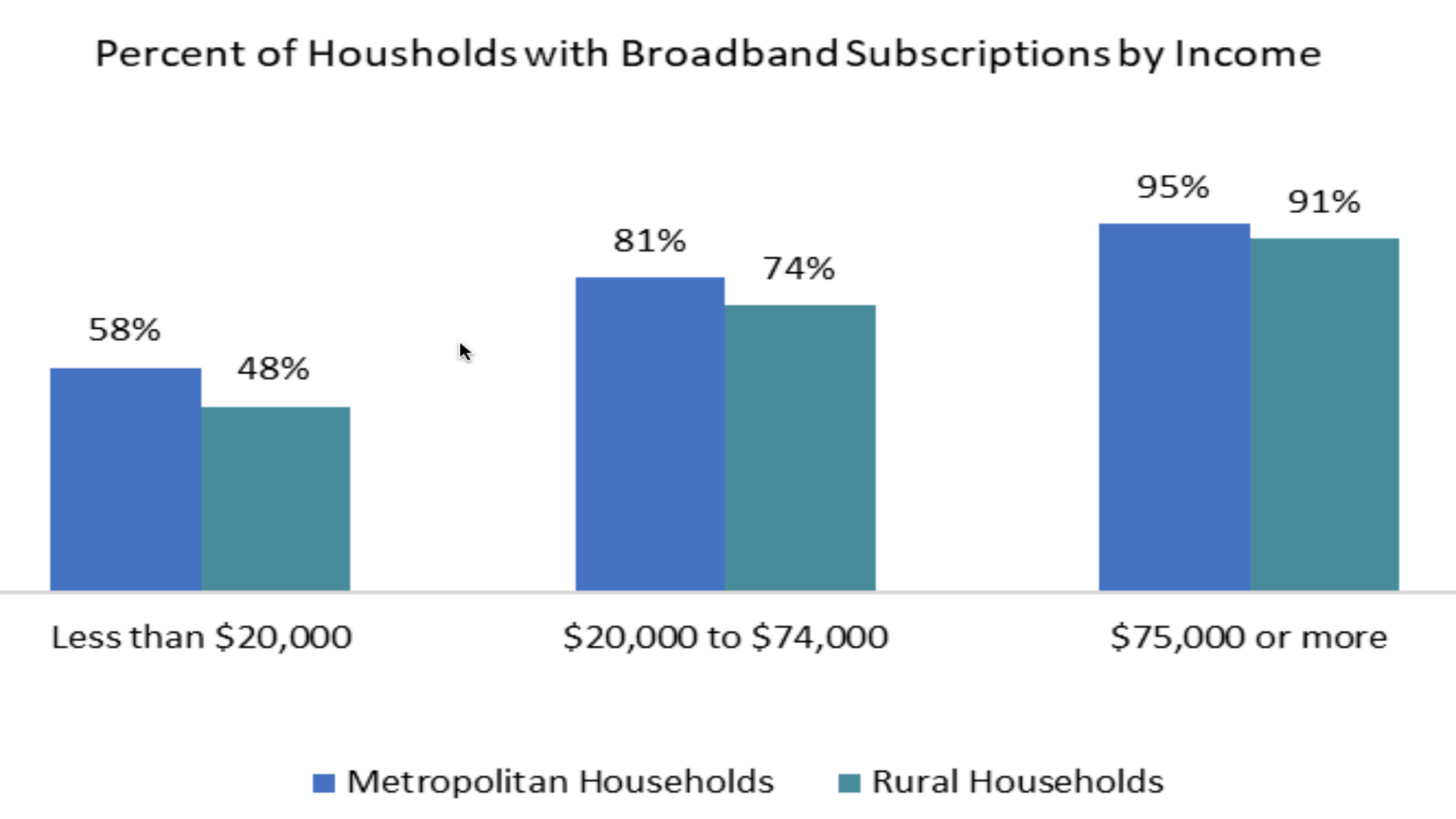
Percent of Housholds with Broadband Subscriptions by Income
58%
48%
81%
74%
95%
91%
Less than $20,000
$20,000 to $74,000
$75,000 or more
Metropolitan Households
Rural Households

Competing Today

- ✓ Have a Good Census Count
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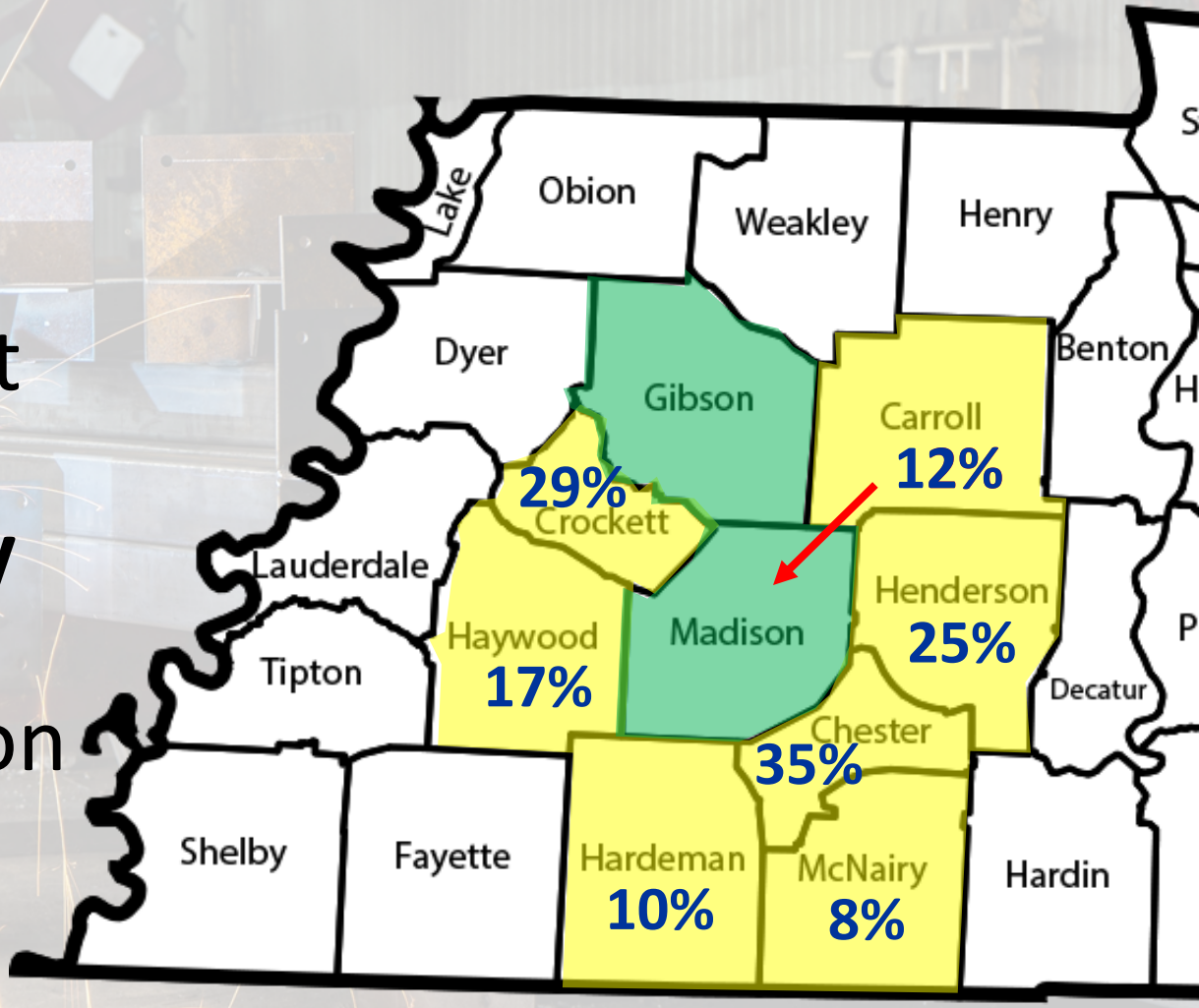

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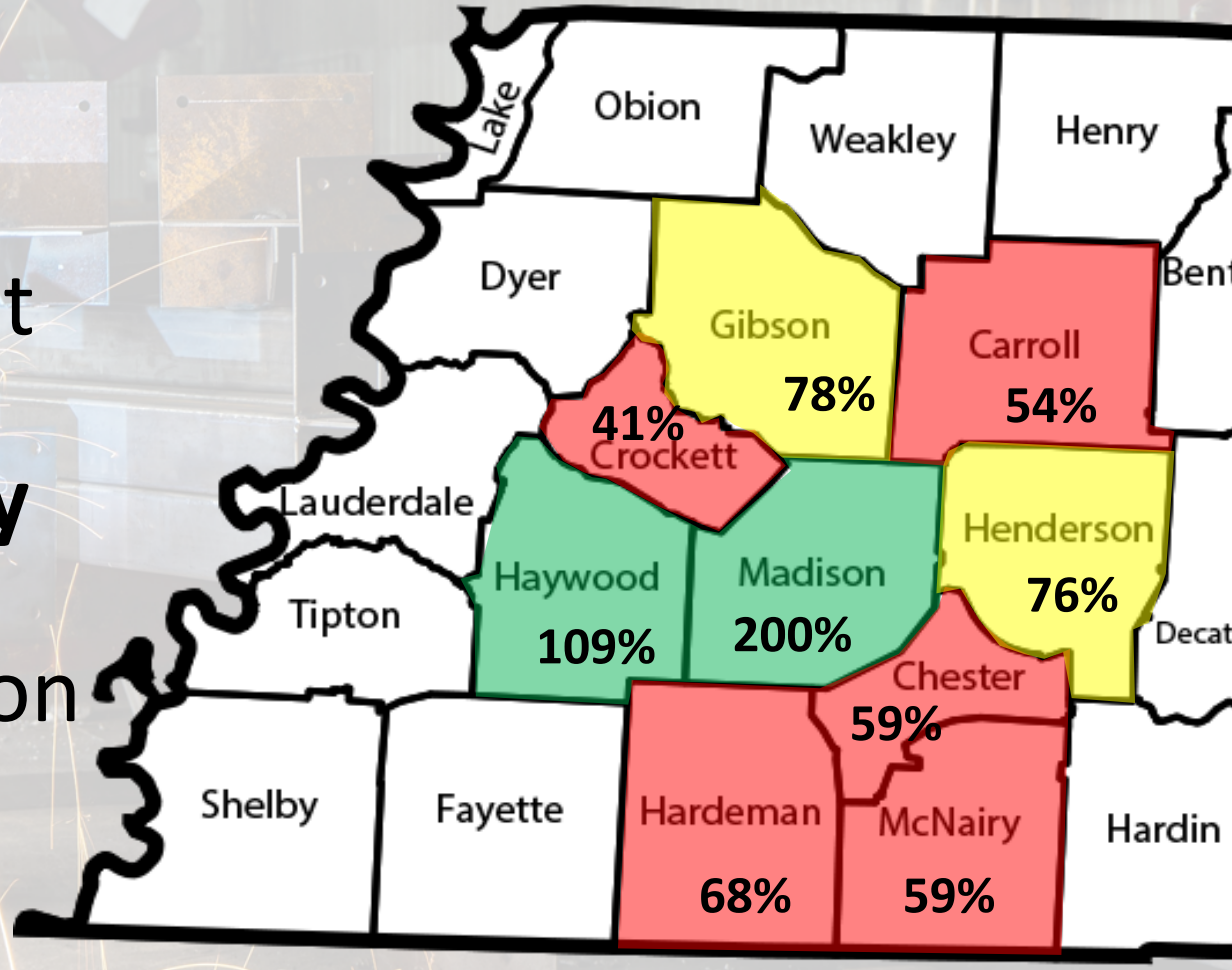

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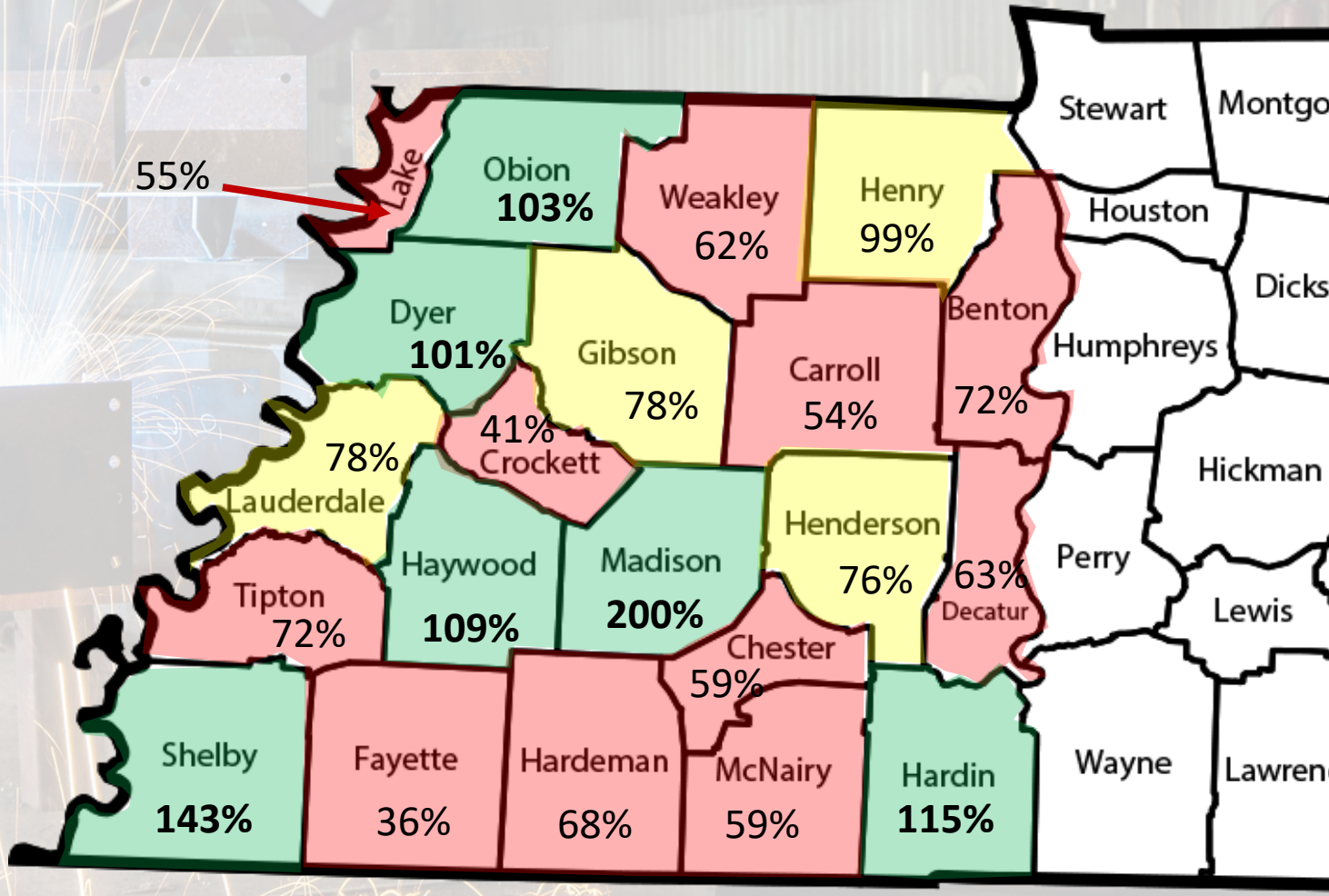
Retail Capture/Leakage

Think about …

- Online Shopping
- Sales Taxes
- City Budgets
- Economic Impact



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Competing Today

- ✓ Have a Good Census Count
- ✓ Think (and Act) Regionally
- ✓ Engage the Next Generation
- ✓ **Be Active vs. Passive**

Source: U.S. Census Bureau, 2018

Thank you

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Transition to a Knowledge/Innovation Economy

- ✓ Globalization
- ✓ Technology Application
- ✓ Education and Workforce Development
- ✓ Human Capital
- ✓ Financial Capital
- ✓ Start-up or Fast Growth Companies
- ✓ Digital Infrastructure

THE INNOVATION ECONOMY

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Globalization

- ✓ ***Advanced technologies*** have led to greater national and international ***business mobility***
- ✓ ***Competition*** among countries, regions and cities of the world to attract and retain new and existing business and investment ***is intense.***
- ✓ ***Businesses can chose*** from locations in an increasing number of communities with location ***advantages*** that meet their needs
- ✓ ***Competition, suppliers, customers are global***

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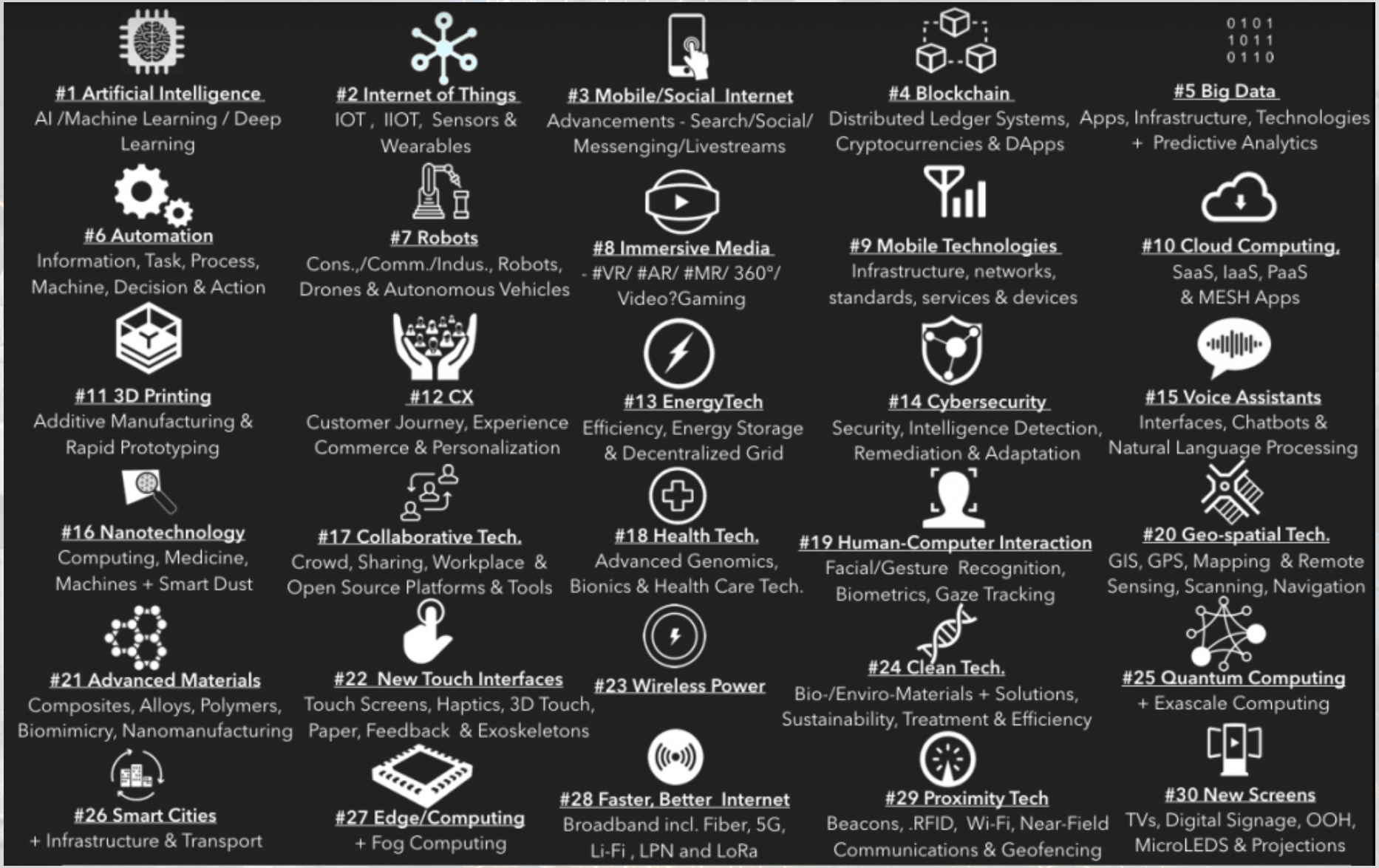
The 30 Technologies of the Next Decade



Created by: Sean Moffitt @seanmoffitt, Managing Director, @Wikibrands

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Collaborative Robots (Cobots)

Robotic Trends

- Increasing ease of use, deployment and maintenance
- Human-Robot Collaboration
- New ways of working with robots
- Improved robot “senses”
- Improved ROI
- Training the robot employees of the future

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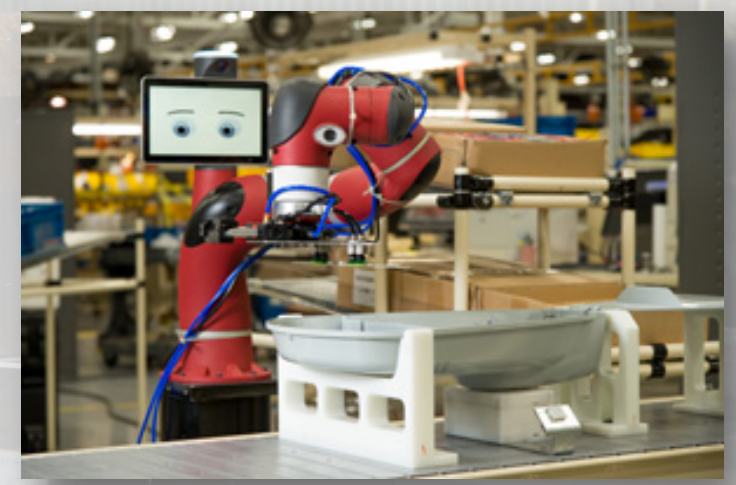
Collaborative Robots (Cobots)

Robotic Trends

- Collaborative robot safely works side by side with its human coworkers on the production line assembling street light fixtures.



Source: GE Global Research

40 Uses for Drones

Practical Applications for Unmanned Aerial Vehicles

Emergency Services & Disaster Recovery

1. Disaster & hazmat monitoring
2. Emergency delivery (medicine, equipment, supplies...)
3. Emergency response coordination (situational awareness)
4. Disaster relief & post-disaster assessment
5. Search & rescue

Urban Planning, Real Estate, Architecture & Engineering

21. Construction management
22. Environmental design (architecture, engineering, landscape architecture, urban design)
23. Mapping (archaeology, resource, topography...)
24. Marketing
25. Site analysis, planning & design

Security Services

6. Crime scene investigation
7. Criminal surveillance & tracking
8. Police response coordination
9. Security surveillance
10. Training & evaluation

Media & Communications

26. Advertising & marketing
27. Art (commercial design, fine art, social practice...)
28. Entertainment (film, television, Internet...)
29. Investigative journalism
30. News photography & videography

Agriculture, Aquaculture, Silviculture, Viticulture

11. Chemical & biological monitoring (irrigation, pesticides, treatments...)
12. Flood & fire detection & monitoring
13. Inventory & records
14. Pest & disease detection & treatment
15. Precision operations & management

Business & Commerce

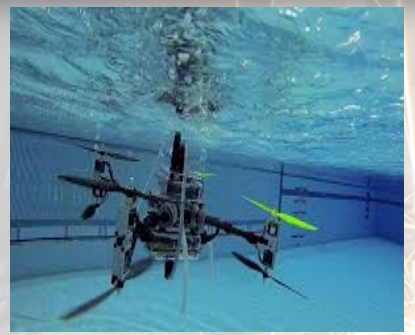
31. Aero-technology / robotics research & development
32. Documentation (accident reporting, building verification, site status...)
33. Exploration (water, oil, gas, mineral...)
34. Inspection (infrastructure, structural, industrial...)
35. Pick-up & delivery services

Environmental Management

16. Environmental hazard assessment
17. Environmental impact assessment & compliance
18. Invasive species & pest control
19. Scientific research
20. Wildlife & habitat monitoring & protection

Recreation & Entertainment

36. Exploration
37. Group activities & events
38. Hobby (do-it-yourself & kit building)
39. Personal photography & videography
40. Remote control flying



Source: Stephens Planning & Design, July 19, 2014

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The Impact of 3D Printing

- Changes the nature of inventory
- Order less often
- Purchase CAD Design, not supplies
- You print the products/parts as you need them
- Facilitates product change and large scale production
- Saves times, labor and logistics costs

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The Global Business Reality

- Talented ***human capital*** will be the most critical resource differentiating the prosperity of countries and companies.
- Companies and countries will ***compete*** for the best and brightest.
- Talent ***mobility*** is inevitable.
- Global mobility of talent is becoming as ***critical*** as the global mobility of goods and capital.

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The Global Business Reality

Why is this Important?

- The ability to ***innovate*** at an accelerated pace will be the most important capability differentiating the success of countries and companies.

- The ***strategic*** use of public policy as an enabler of economic development will intensify; placing a premium on collaboration between policy-makers and business leaders.

The Business Imperative

The business case and return on investment are simply this:

A highly skilled and educated workforce with skills measured and validated by industry standards -

1. Reduces risk
2. Drives innovation
3. Supports competitive advantage

Critical Need for Educated Workforce

- Excellence in education is becoming a ***key site selection factor*** in our "tech economy".
- Focus must be on STEM *and* "soft" skills, *and* hands-on experience.
- Greater client demands for high-skilled, flexible workforce.
- Insufficient funding of local education programs leaves many communities unprepared for advanced technology.
- Future successful communities will stress an "Education Mindset" over "Low Taxes".

A strong economy begins with a strong, well-educated workforce.

- Bill Owens

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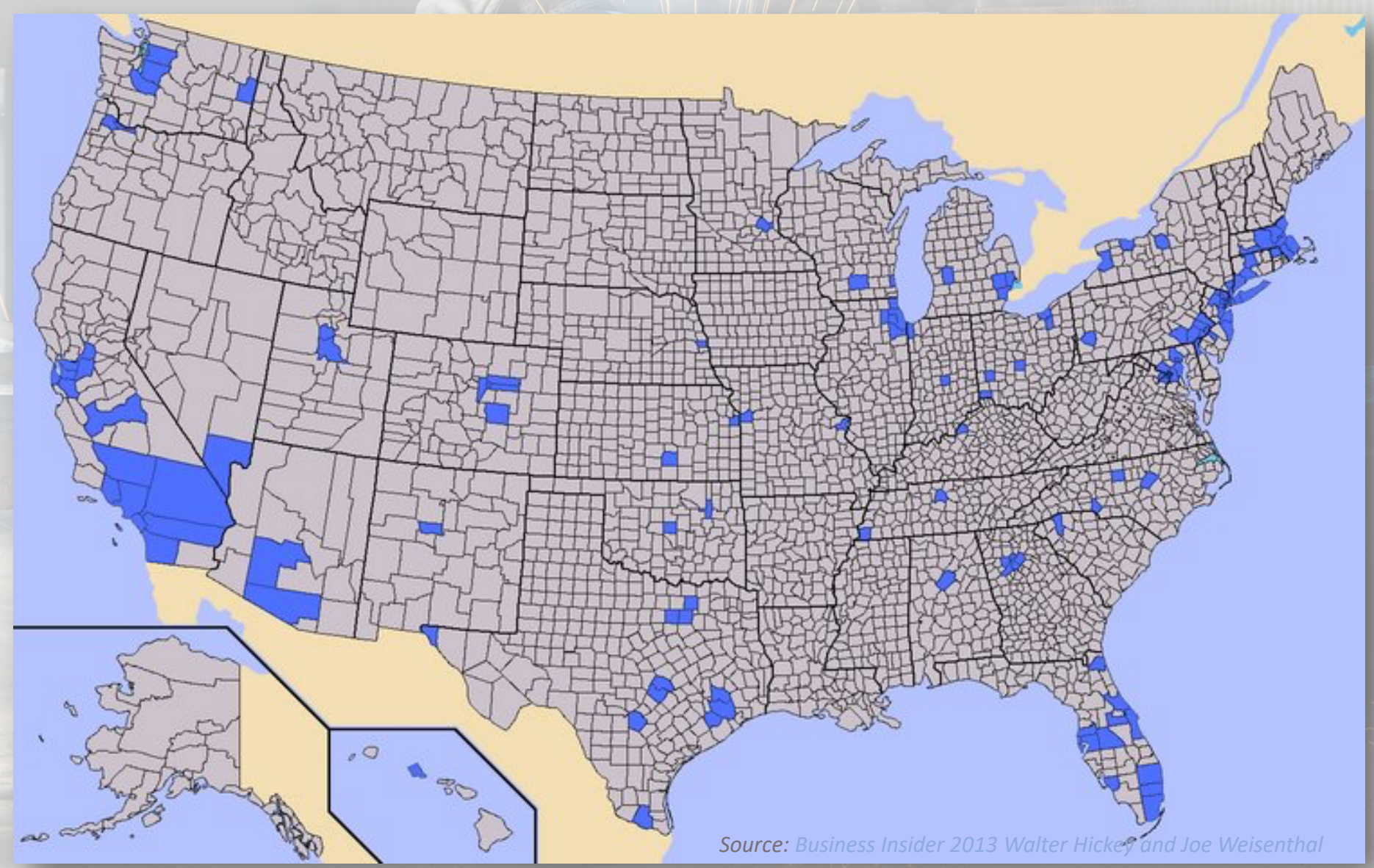
Half of the US Population Lives in These 146 Counties



By 2050, 70% of the world's population will live in urban centers.

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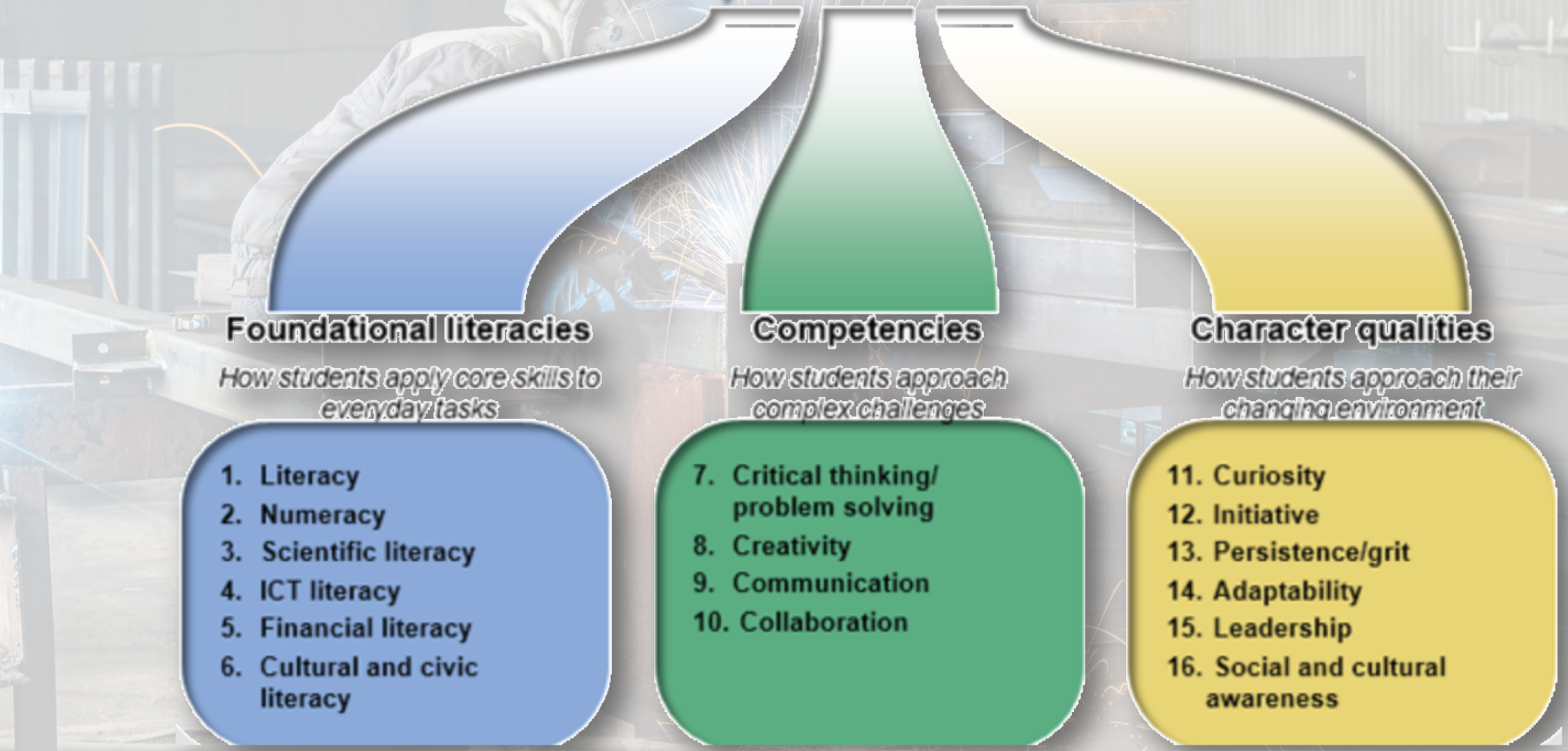
Students Require 16 Skills to Compete in the 21st Century



Source: World Economic Forum in collaboration with BCG

Note: ICT = information and communications technology

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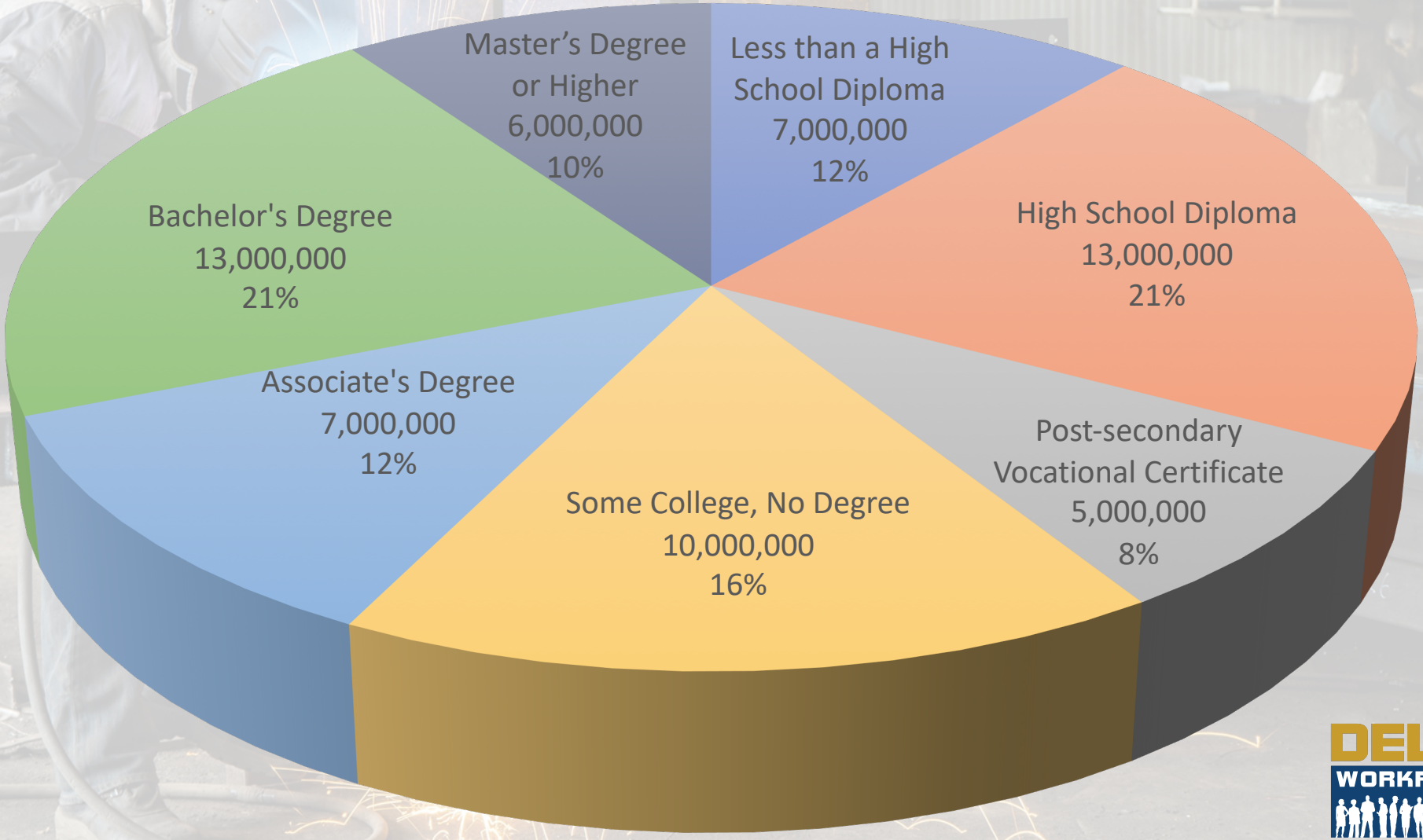
There Will Be Fewer Jobs Available for Individuals that Only Possess a High School Diploma

Of the 55 million job openings between 2010 and 2020:



Source: Georgetown University

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Skills Gap: Help Wanted

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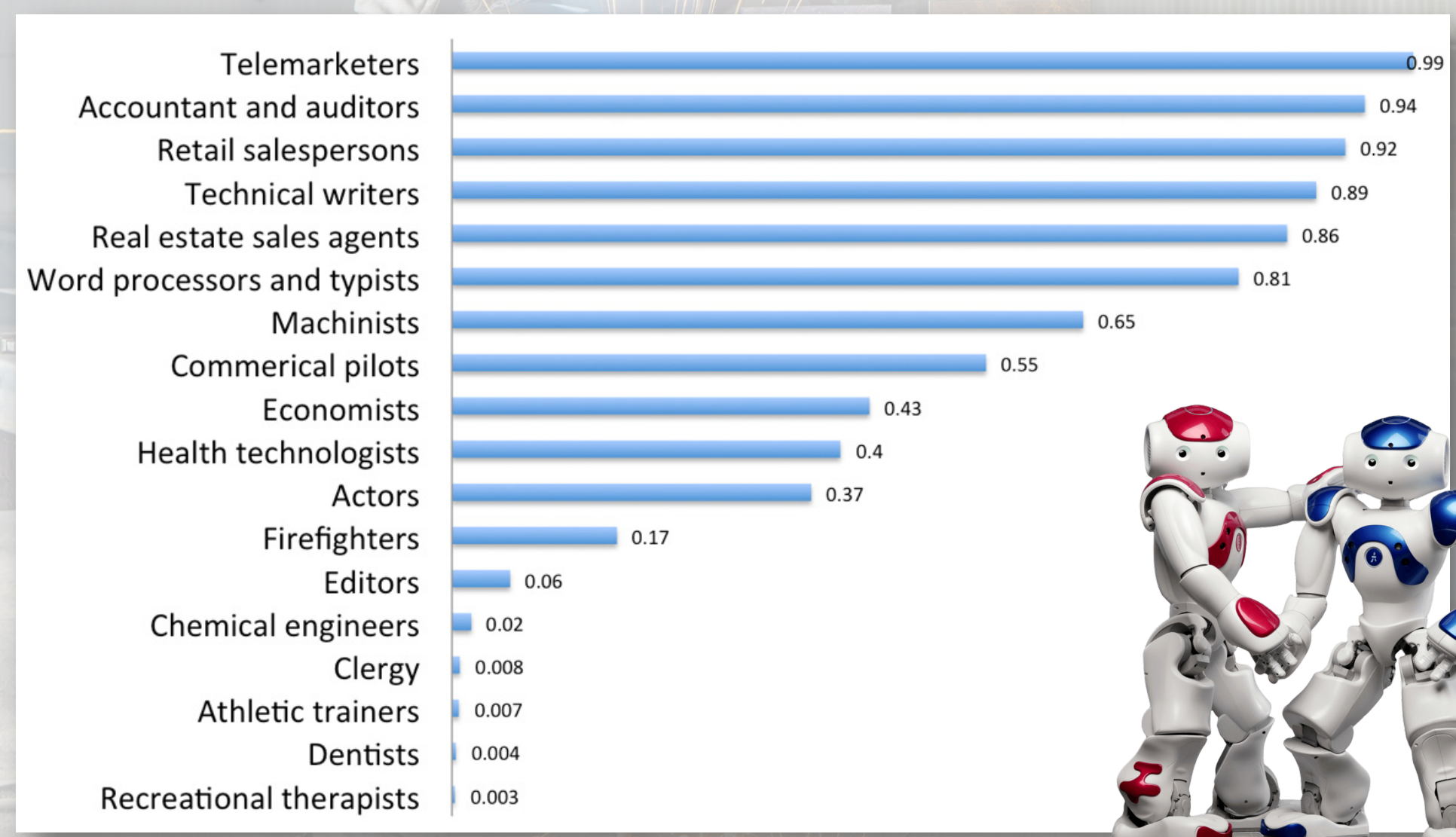
Probability Robots Will Take your Job in Next 20 Years, 1 = Certain



Source: *The Econmist*

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2018 Retail Closings

- Bon-Ton – 42 stores
- Toys R Us – 182 stores
- Sam's Club – 63 stores
- Macy's – 11 stores
- J. Crew – 50 stores
- Gap & Banana Republic – 200 stores
- Teavana – 379 stores
- Ascena Retail Group – 268 stores
- Michael Kors – 125 stores
- Wal-Mart – 154 stores

Note:
5,000 Stores
Closed in 2017

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Education and Workforce Sustainability: Largest Employer, 2017

Walmart Nation: Largest Employers in 22 States

Source: www.visualcapitalist.com; November 2017

Service Industry

"Our device isn't meant to make employees more efficient, it's meant to completely obviate them."

- Momentum Machines

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Place:
Inseparable from Workforce Attraction & Retention

What is Character?

- Livability
- Attractiveness
- Uniqueness
- History
- Aesthetics
- Style
- Desirability
- Community
- Connections

"The unique characteristics of place may be the only truly defensible source of competitive advantage for regions."

- City Vitals CEOs for cities

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The New "Three Legs of the Stool" of Economic Development

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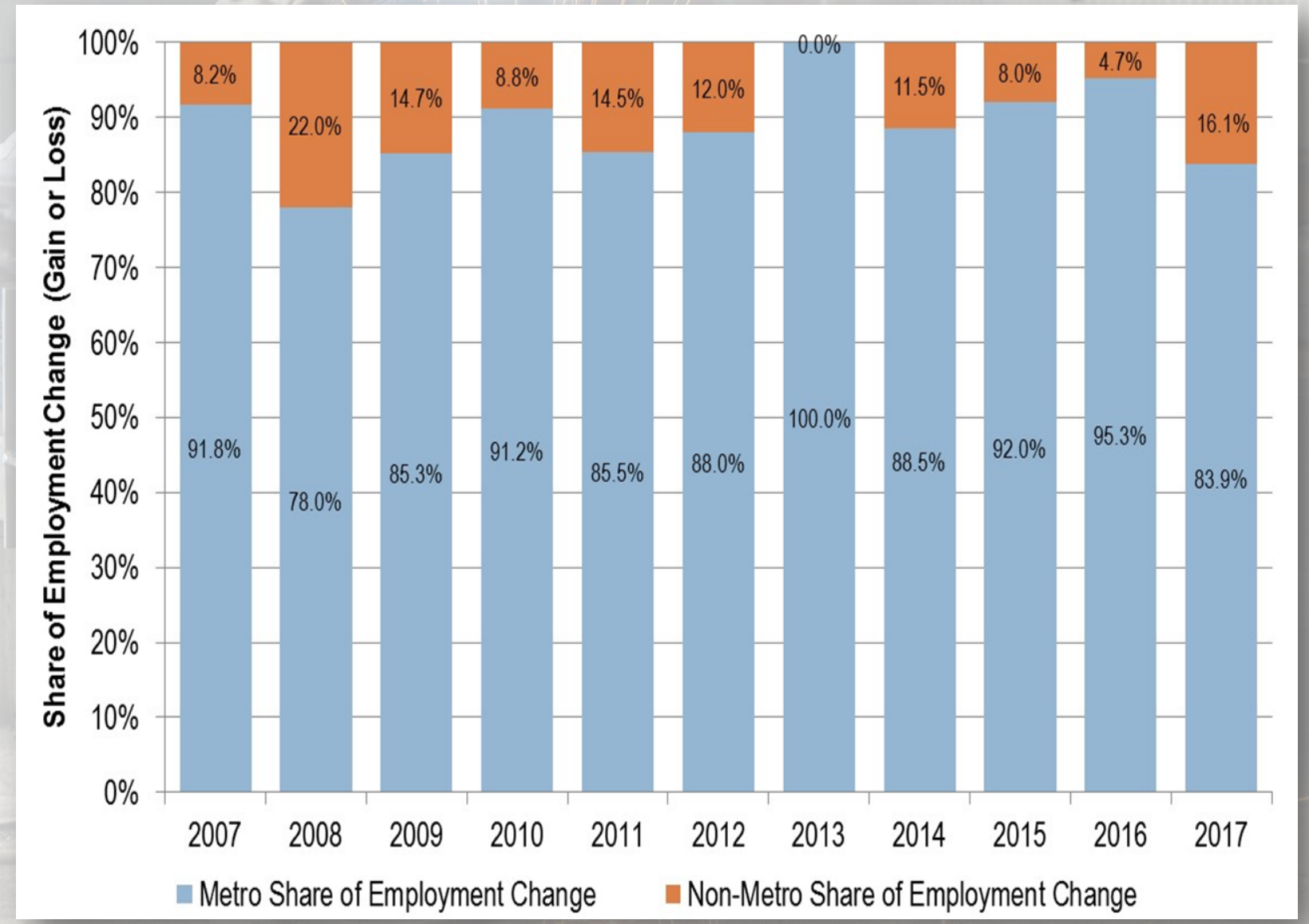
Regionalism:
Ascendance of Metro Areas as Drivers of U.S. Economy



Source: Market Street Services

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Strategy

IDEA
CONNECTION
CREATIVITY
20%
20%
60%
CONTENT
PEOPLE
LIKE
SHARE
SOCIAL
FRIENDS
NETWORK
WEB
RESEARCH
INFORMATION
GROWTH
TECHNOLOGY
ANALYSIS
ACCESS
MANAGEMENT
GROUP
COMMUNITY
FEEDBACK
STRATEGY
WHO
WHEN
SOLUTION
SECURITY
TEAMWORK
PLANNING
WHAT
WHY
SUCCESS
MARKETING
TARGET
SKILLS
INNOVATION
VISION
WHERE
HOW
GOAL

Changing Workforce Development

Old Way

Responsive to rules and systems

Programmatic silos with special populations

Education and workforce are different systems

Geography matters

Technology to track people and results

New Way

Responsive to employer needs

Flexible, simplified and customized

All efforts are seamless and matriculation is simple

Industry needs matter

Technology to customize, analyze needs, and empower customers

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Economic Sustainability

Definition: *The ability of an economy to support a defined level of economic production indefinitely.*

Sustainable communities must:

- Build their assets (workforce, infrastructure, services)
- Build the reputation of the community with stakeholders
- Asses risks and manage them
- Act in an ethical and fair manner

Economic sustainability is crucial to long term success

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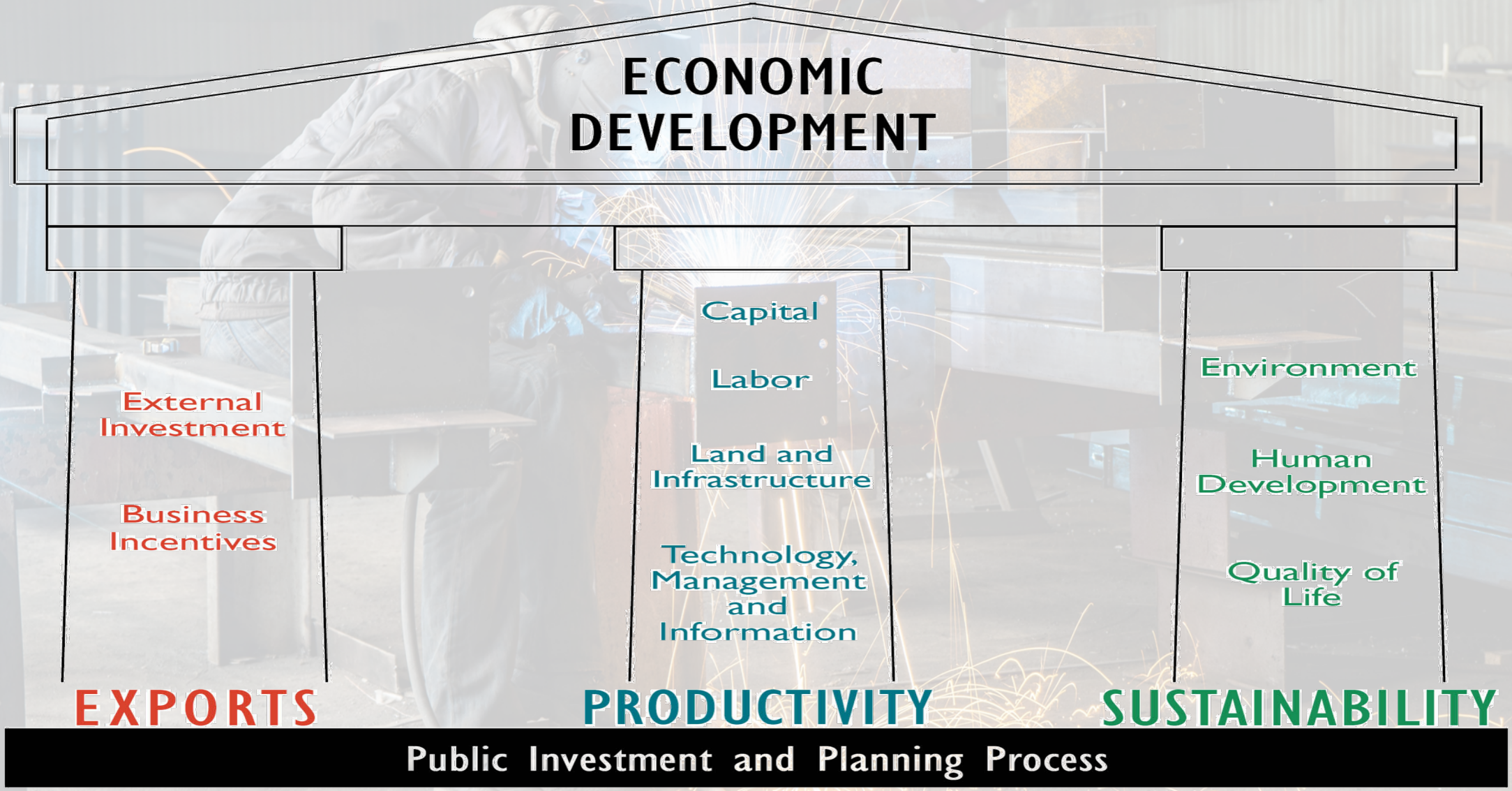
Economic Sustainability



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Effective Strategy Development

What doe successful Communities have in common?

- A commitment to ***unite for a better community*** and to put aside differences for the common good
- A willingness to ***accept responsibility*** for the way things are and the way things will be
- The sharing of a ***common vision*** for the future
- A proactive ***action-oriented mindset*** and a clear strategy
- A diverse ***participatory community leadership*** committed to the future
- A ***civic capacity*** and institutional structure necessary to successfully implement a changing strategy

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Effective Strategy Development

What Can you Do? Locally

- Community colleges and workforce boards will be key as technology disrupts and transforms work
  - ❑ Programs must focus on ***retraining, upskilling and continuous learning***
  - ❑ Higher education must adjust to better serve ***working adults***
  - ❑ Communication among ***business and higher education stakeholders*** is more important than ever
- K-12 Careers Education
  - ❑ Students of tomorrow won't be changing jobs, they'll be changing ***careers***
  - ❑ ***Flexibility*** will be key to succeed in tomorrows labor market

LOCAL ACTION

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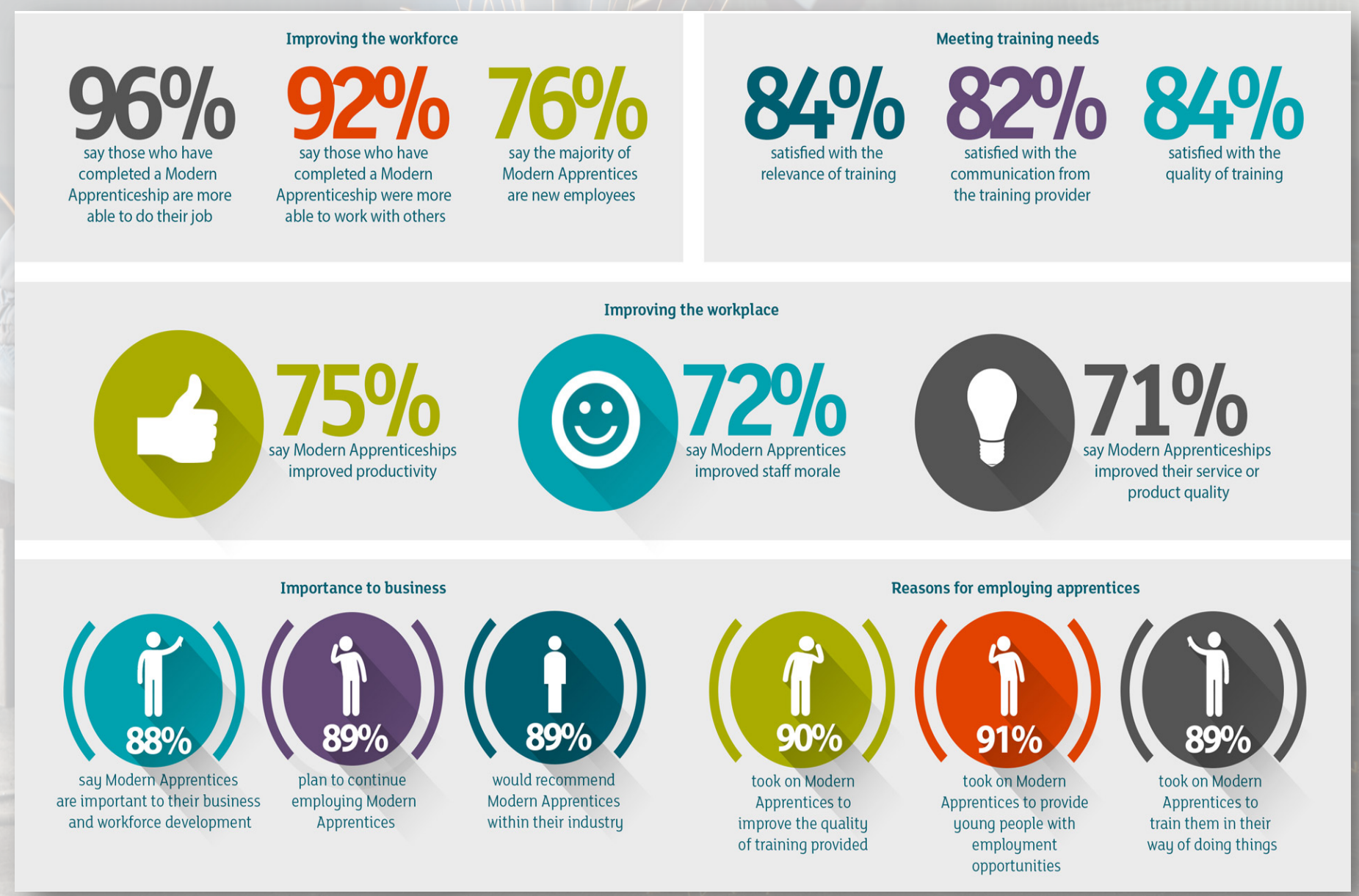
What Employers Say About Modern Apprenticeships



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